

Workforce News



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Uintah Basin: Daggett, Duchesne, Uintah

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Population Ins and Outs



Inside:

- **Daggett:** Job counts way down from last year with unemployment up slightly.
- **Duchesne:** Where's the recession – job growth in double digits but unemployment still high.
- **Uintah:** Strong job growth driven by oil and gas but unemployment double last year's number.



Contact Carrie Mayne, Supervising Economist, with any questions on content:

801-526-9721
cjmayne@utah.gov

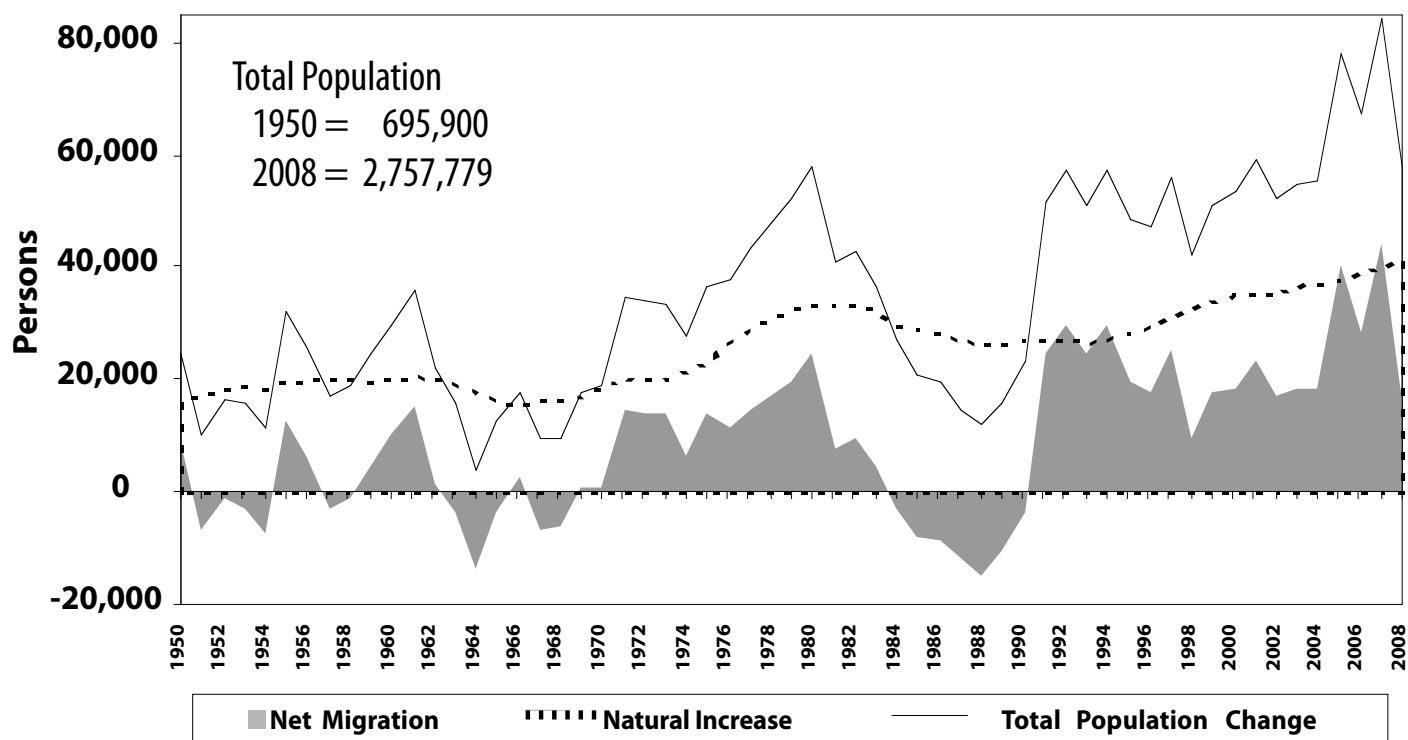
While we're waiting for the economy to perk up, let's take a look at a very basic descriptor of our life, population. That's "us." This issue of the newsletter will address the population and its components of change, namely, natural increase and net migration. Population change is the sum of natural increase (births minus deaths) and net migration. In Utah, we have the honor of holding two population records in the nation: lowest median age; and highest growth rate. Let's make that four records and add fertility rate and average family size to the mix. Utah median age (2008) was 28.5 years (the U.S. is 36.6 with Texas

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Population Ins and Outs (continued)

Utah Components of Population Change



Source: Utah Population Estimates Committee

next closest at 34 years). Its rate of growth is 2.5 percent. Its fertility rate (average number of children) is 2.5 births per female in her lifetime, and its family size 3.11 persons.

Is population growth all home grown? Or is it influenced by some other phenomenon? The

answer is yes and that factor is net migration. Net migration is primarily dependant upon economic activity. When our economy is strong and adding new jobs, the labor supply to fill these jobs comes from not only our in-house natural increase but from outside the state as word spreads that there are jobs in Utah.

On the following pages are the graphs of the components of population change from 1950 to 2008, first for the state and then for each of the three counties in the Uintah Basin Region. You can just look at the graphs and note that the economy was doing well when we had net in migration, that when the solid

Population Ins and Outs (continued)

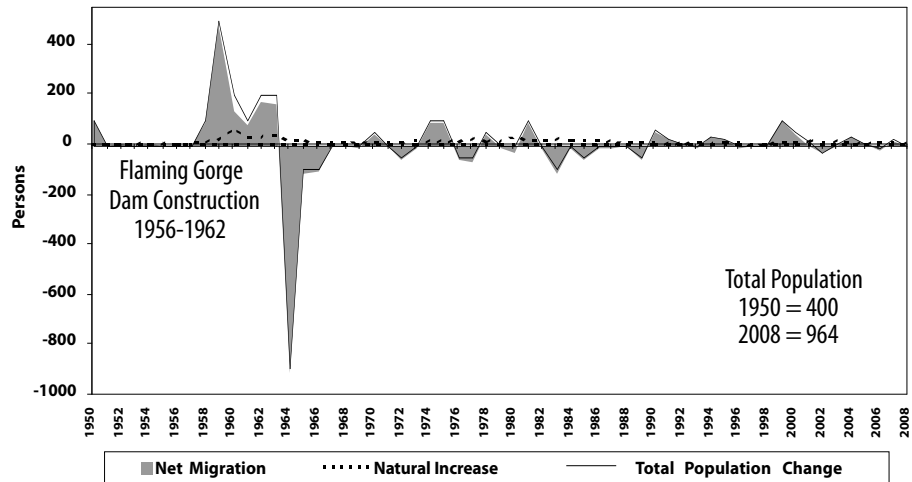
area on the graph is above the zero horizontal axis. Note the dotted line is the level of natural increase by year and if you add the solid area total to the natural increase total you get the dark line total. Also in a box on the graph is the total number of people in the county for 1950 and 2008.

The Uintah Basin's economy is driven by a volatile industry - namely natural resources in the form of oil and gas. Over the 58 year period since 1950 the area has experienced various ups and downs pretty much driven by what was happening in these natural resources.

Daggett County's population has been just about stayed constant with the exception of the construction of the Flaming Gorge Dam in the late 1950s and early 1960s. Population has grown from about 400 to just under 1,000 over that period. Seasonality plays a part in the recreation component of the local economy.

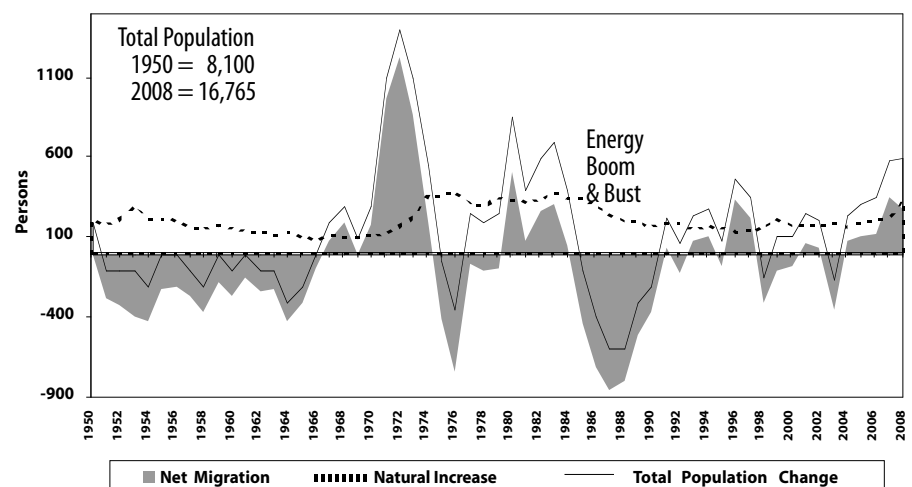
Duchesne County population has doubled from about

Daggett County Components of Population Change



Source: Utah Population Estimates Committee

Duchesne County Components of Population Change



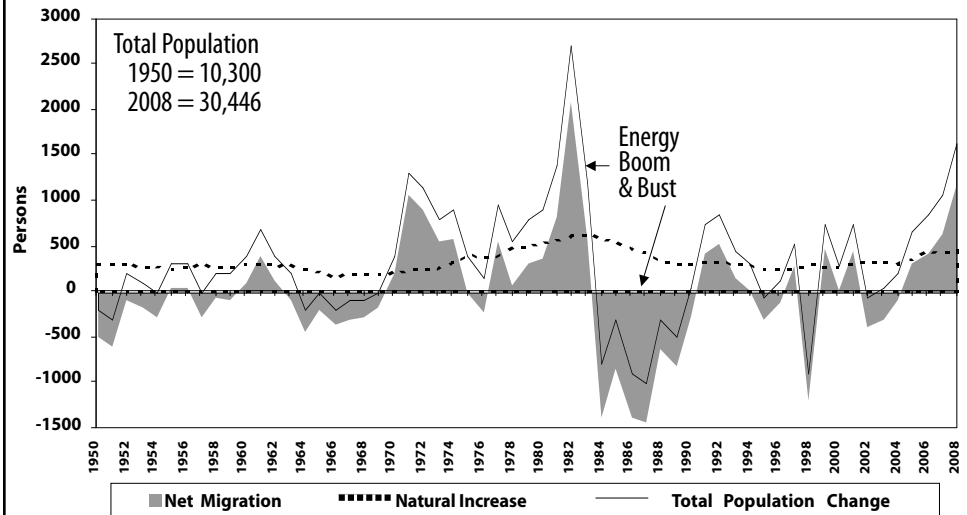
Source: Utah Population Estimates Committee

Population Ins and Outs (continued)

8,000 in 1950 to over 16,000 in 2008. It has experienced natural resource-based ups and down as shown in the graph. Currently the county's economy is growing due to the expansion of the oil and gas industry. The mid to late 1980s were a tough time in Duchesne County as the oil industry contracted sharply.

Uintah County, nearly twice the size in population as Duchesne County has also had its oil and gas ups and downs. In 1950 the population was 10,300. It tripled by 2008 to just over 30,000. Both counties enjoyed, and suffered, the effects of the energy boom and bust in the Uintah Basin. Just a peek at the graph shows the wide changes in population caused by the volatile energy industry. The December 2007 to December 2008 job growth was strong at 9.1 percent. Even if employment growth rates soften in the first quarter of 2009, that still puts the Uintah Basin far ahead of most other counties in the state. **WFN**

Uintah County Components of Population Change



Source: Utah Population Estimates Committee

What's Up?

Tumbling petroleum prices have slowed the pace of drilling in Utah's biggest gas field, the Uintah Basin, to the lowest level in four years. The number of drilling rigs operating statewide is down to 23, or fewer than half the record number of rigs that were working last August, the Utah Division of Oil, Gas and Mining said.

Most of Utah's drilling activity takes place in the Uintah Basin near Vernal, where one player, Colorado-based Gasco Energy Inc., said declining natural gas prices combined with "sticky high service costs" have made drilling unprofitable. Gasco still operates 120 wells but has put on hold an experiment in horizontal drilling, which can dramatically boost production if the drill finds the right gas seam, typically thousands of feet underground. The number of gas wells completed in January was 63, down from 84 for the same month last year.

—Deseret News

County News

Daggett County:

Job counts were off by 15 percent in December 2008, compared to December 2007. That's a large percent but represents only 60 jobs. Unemployment in March of 2009 was 4.5 percent, up some from the year-ago figure of 3.8 percent. The industry taking the biggest hit in jobs was construction, losing some 55 slots. Hospitality was off about 20 jobs but government buoyed that by adding back about the same number. Gross taxable sales was actually up significantly (47 percent) comparing 2007 to 2008. Construction action followed suit with an increase of 11 percent in permits and a 10 percent jump in the valuation of construction activity. That's pretty positive news given the "down" rhetoric of many of the other counties in the state.

Duchesne County:

Good news. Job growth was up by double-digit percent increases. Joblessness was 5.9 percent in March 2008 (up from 2.8 percent in March 2007). Natural resource-based activity was up, which elevated nearly all the other industries in the county. Mining increased by 360 jobs (25.9 percent) between December of 2007 and December of 2008. Other growing industries included construction (200), transportation and warehousing (280), hospitality (60), and local government (70). Interestingly, healthcare was one of the few industries that lost jobs (-60) in the year-over comparison. Spending was up 30 percent between 2007 and 2008, reflecting the job growth. Construction activity was off in terms of permits by 30 percent and in total valuation by -6 percent. The county is experiencing growth compared to all the negative happenings in other parts of the state.

Uintah County:

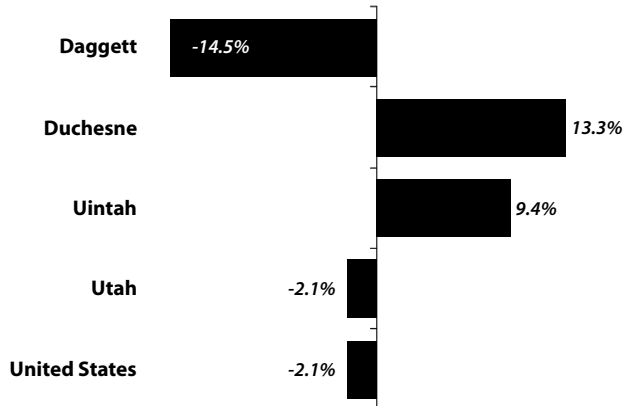
The economy is doing well, with 9.1 percent job growth attesting to that. Unemployment is, however, up to 5.0 percent in March of 2009 (up from 2.3 percent in March of 2008). On the job front, mining, retail trade, and trucking have all added jobs, 400, 130, and 220 respectively. Local government also added some 120 positions. Almost all industry sectors added at least a few jobs. The total increase in employment (December 2007 to December 2008) was 1,330. Like other Basin counties, spending was up, a total of 20 percent compared to 2007. Uintah County construction was even. Permits were within one percent of the 2007 figure and valuation was actually positive at a 7.4 percent increase. This is all good news for the Uintah Basin economy. **WFN**

For more employment information about your county go to: <http://jobs.utah.gov/jsp/wi/utalmis/gotoCounties.do> and select your county, then go to Labor Market Indicators in the right-hand margin.

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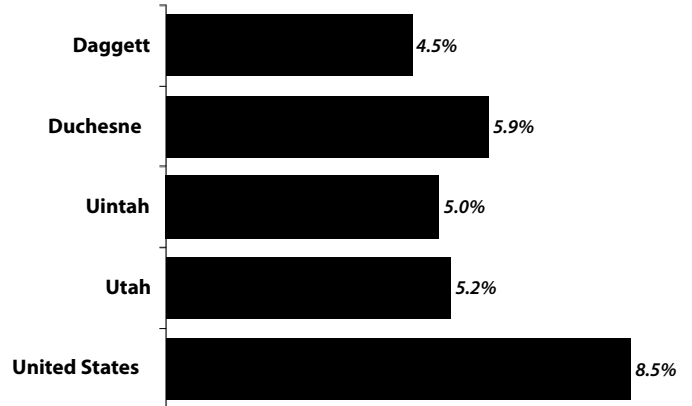
jobs.utah.gov

Percent Change in Nonfarm Jobs December 2007 to December 2008



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

Seasonally Adjusted Unemployment Rates March 2008



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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